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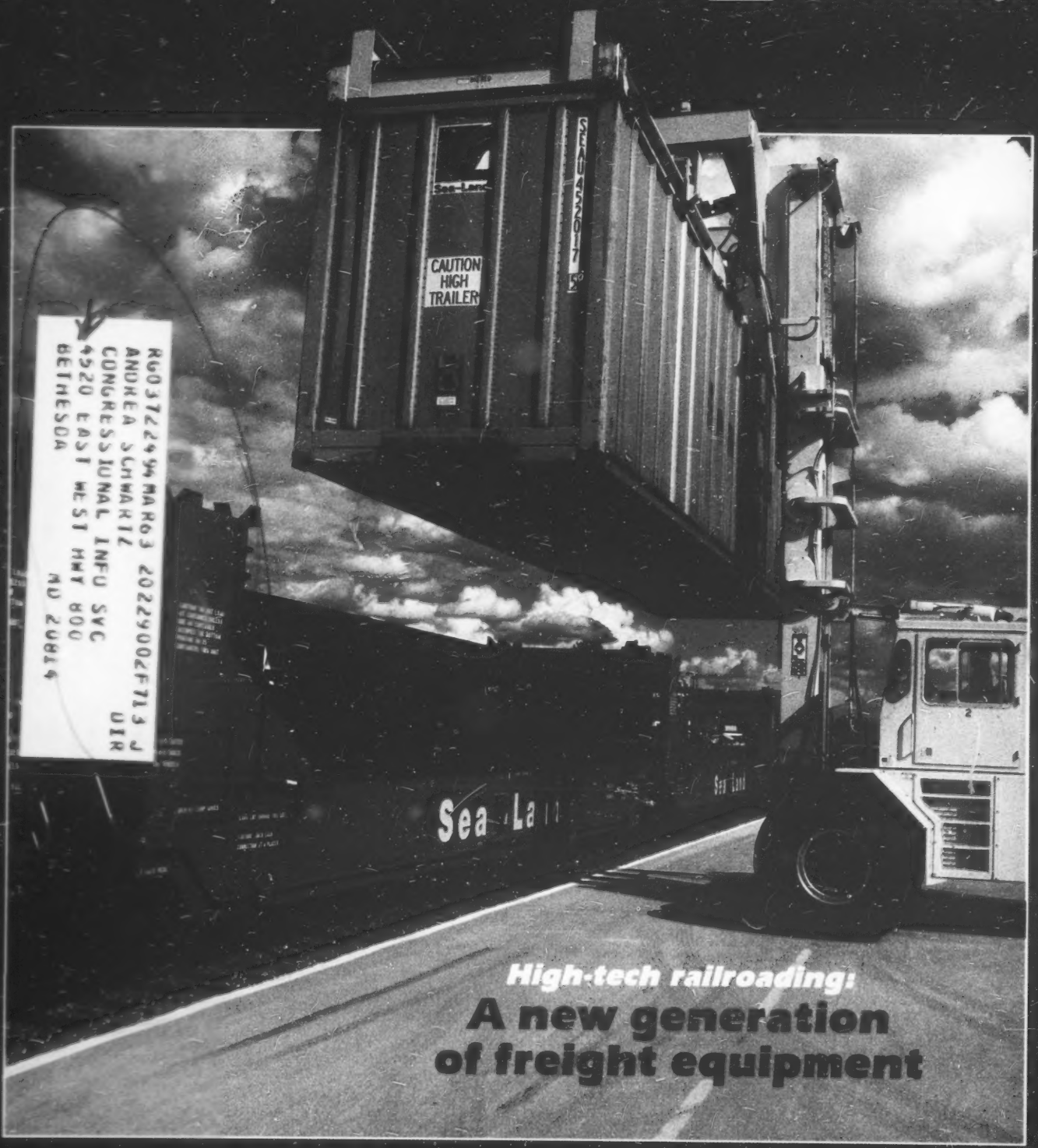
Transit cars get new life at Hornell

September 1985

RAILWAY AGE

...for the new age of railways



High-tech railroading:

A new generation of freight equipment

RAILWAY AGE
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Double-stack container cars and aluminum/steel coal cars prove the validity of the axiom that there's nothing like an idea whose time has come.

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Gunderson/Greenbrier Twin-Stack loading at Tacoma was photographed by Bruce Harmon.

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Inside

Integral trains: A beginning

LUTHER S. MILLER

The block of copy that appears on pp. 44-45 of this issue may well turn out to be the most important we have published in many years. In these pages, as part of his cover story on a new generation of freight equipment, real and imagined, Senior Editor Gus Welty describes nine concepts that the AAR has received in response to its request for High Productivity Integral Train proposals. If any of them comes close to achieving the AAR's HPIT goals—cost reductions of as much as 50% in intermodal integral train operations, as much as 35% in bulk-commodity operations—this will turn out to have been a very big story, indeed.

What the project has so far produced are concepts weighted heavily toward intermodal, but with two proposals—from Ortner and Pullman Standard Manufacturing, Trinity—dealing with development of integral trains for coal and other bulk commodities. Intermodal proposals have come from ACF Industries, Brookville Locomotive, Budd, Locomotion, New York Air Brake, Railmaster Systems, and UTDC, and Ortner is also planning to come in with an intermodal proposal. Most of the concepts involve use of existing technology, but more imaginatively than it is now being used.

Would a 5% return turn on a utility?

The regs-to-riches story of the post-Staggers railroads is one that some people never tire of telling—especially those people in the utility business who want to get the regulation clock ticking again. It's true that the ICC has determined, under Staggers Act guidelines, that railroads are "entitled" to a rate of return of around 15%. But they are still far, far away from earning that return. For the 12 months ended last March 31, the freight railroads as a group earned 5.19%. Here's how individual roads performed:

Southern District:

Florida East Coast	5.04%
Illinois Central Gulf	2.77%
Seaboard System	5.51%
Southern	6.39%

Western District:

Santa Fe	3.82%
Burlington Northern	8.59%
Chicago & North Western	4.46%
Denver & Rio Grande Western	4.16%
Kansas City Southern	7.49%
Missouri-Kansas-Texas	3.05%
Missouri Pacific	5.02%
St. Louis Southwestern	2.35%
Soo Line	2.97%
Southern Pacific	0.96%
Union Pacific	4.36%
Western Pacific	0%

Eastern District:

Baltimore & Ohio	3.57%
Chesapeake & Ohio	4.81%
Conrail	7.59%
Elgin, Joliet & Eastern	0%
Grand Trunk Western	2.61%
Norfolk & Western	5.98%

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Market Outlook

Facilities

New York DOT: Awarded a $62 million contract to the joint venture of Morrison-Knudsen and Mergentime Corp. for construction of a 9,100-foot marine railroad trestle linking the Highbridge and Harlem River rail yards in New York City.

Equipment

Amtrak: Directors approved expenditure of $5 million for 50 new mail/express cars scheduled to go into service late in 1986. An outside contractor, still to be selected, will supply car shells that will be sent to Amtrak's Beech Grove, Ind., shops to be fitted with passenger car trucks, 480-volt power train lines, communication lines and interior lighting. Amtrak will use 21 of the new cars to replace existing baggage cars that would otherwise cost $2.8 million to overhaul. Five cars will be used to eliminate an existing baggage car shortage. The 24 remaining cars will go into service on six routes where current mail, baggage and express demand exceeds capacity.

Chicago & North Western: Ordered 35 new 3,600-hp SD50 diesel-electric units from the Electro-Motive Division of General Motors at a cost of $45.5 million.

Conrail: Ordered 30 new SD50 diesel-electric units from the Electro-Motive Division of General Motors at a cost of $38.6 million.

Washington Metropolitan Area Transit Authority: Awarded a contract to Breda Construzioni Ferroviarie for an additional 72 rapid transit cars. When this order is delivered, Breda will have supplied WMATA with 366 cars valued at more than $400 million.

- WMATA awarded a $6.4 million contract to Knorr Brake Corp. for the supply of 260 carsets of truck mounted hydraulic disc brake equipment.

XTRA, Inc.: Placed a $2.5-million order with Miller Trailers for 200 trailers measuring 45 feet by 102 inches. The units will be leased to Illinois Central Gulf. XTRA awarded Miller a separate contract for 100 48-foot intermodal trailers, 80 new units and 20 rebuilds.

Revenue freight carloadings

Commodity	Aug. 10 week	Aug. 3 week	July 27 week	July 20 week
Grain	20,592	20,782	20,770	21,405
Other farm products	2,659	2,818	3,091	2,971
Metallic ores	13,890	13,028	14,089	14,123
Coal	120,995	121,916	119,918	107,267
Crushed stone, gravel and sand	13,187	13,052	13,153	13,450
Nonmetallic minerals	11,133	9,523	12,577	12,681
Grain mill products	10,047	10,207	9,933	9,644
Food and kindred products	10,847	11,335	10,772	11,116
Primary forest products	10,174	10,836	10,996	10,827
Lumber and wood products except furniture	6,794	7,596	7,178	7,152
Pulp, paper and allied products	13,020	13,729	13,148	12,911
Chemicals and allied products	22,352	23,072	22,056	21,671
Petroleum products	4,609	4,735	4,729	4,851
Stone, clay and glass products	11,058	10,616	10,425	10,410
Coke	4,785	4,827	4,640	4,357
Metals and products	8,290	9,080	8,957	9,251
Motor vehicles and equipment	17,738	17,568	19,570	19,305
Waste and scrap materials	8,383	8,272	8,006	8,460
Forwarder and shipper assn. traffic	6,893	6,955	6,681	6,541
All other carloads	59,747	60,239	59,647	56,107
LCL traffic	153	162	181	186
Total Cars Loaded	377,399	380,332	380,457	367,796
% change from previous year	(6.3)	(6.3)	(6.5)	(8.4)
Estimated revenue ton-miles (billions)	17.4	17.5	17.5	17.0
% change from previous year	(2.9)	(2.8)	(2.6)	(5.7)

Cumulative Total:	1985	1984	% change
32 weeks	548.6	570.5	(3.7)

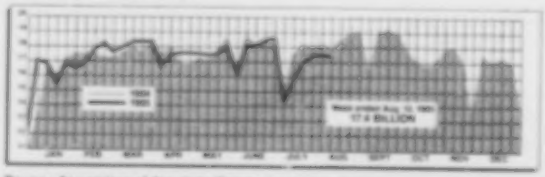
Piggyback loadings

	Aug. 3 week	July 27 week	July 20 week	July 13 week
Trailers containers	88,333	88,496	86,543	82,590

Cumulative total, 31 weeks		% change from 1984
Trailers containers	2,623,021	(2.9)

Rail freight traffic trends

Billion ton miles (Estimated)



Source: Association of American Railroads

Freight cars

	DELIVERED			ORDERED			ON ORDER AND UNDELIVERED		
	July	7 months		July	7 months		Aug. 1,	Average Backlog	
	1985	1985	1984	1985	1985	1984	1985	1985	1984
Built new by carbuilders	1,075	6,612	6,315	1,090	5,932	10,796	3,858	4,100	6,454
Built new in RR shops	0	406	0	0	0	250	0	40	71
Built new—total	1,075	7,018	6,315	1,090	5,932	11,046	3,858	4,140	6,525
Rebuilt	0	0	0	0	0	0	0	0	0
TOTAL	1,075	7,018	6,315	1,090	5,932	11,046	3,858	4,140	6,525
Locomotives (new and rebuilt)	38	250	264	N/A	N/A	N/A	274	264	157

Source: Transportation Div., AAR and American Railway Car Institute

Watching Washington

GNP grows faster than ton-miles

Transport Policy Associates, a Washington-based consulting firm that compiles statistics formerly put together by the now-defunct Transportation Association of America, has completed its analysis of the first half of the decade of the '80s. For the freight transportation modes, the news is not good.

While the Gross National Product (total outlays for all goods and services) increased by 39% during the 1980-1984 period, total freight outlays rose by only 29%. As a share of the GNP, the nation's total freight bill declined steadily—from 8.09% in 1980 to 7.96% in 1981, 7.67% in 1982, 7.52% in 1983, 7.49% in 1984. The trend continues in 1985: the GNP is experiencing a modest increase, but intercity ton-miles for all modes during the year's first five months were down.

The following figures are from TPA's mid-year 26-page supplement to the booklet, "Transportation in America." The supplement is free to subscribers; it is available to non-subscribers, for $10, from TPA at 810 18th St., N.W., Suite 508, Washington, D.C. 20006.

The Nation's Freight Bill
(Millions of Dollars)

	1980	1984p
Highway		
Truck - Intercity		
ICC-Authorized	43,000	52,100
Non-ICC-Authorized	51,645	68,565
Truck - Local	60,545	87,678
Bus	235	242
	155,425	208,585
Railroads	27,702	30,128
Water		
International	8,279	10,186
Coastal, Intercoastal	3,155	3,584
Inland Waterways #	2,395r	2,495
Great Lakes	513	456
Lock, Channels	1,156r	1,167
	15,498	17,888
Oil Pipe Line		
Regulated	6,356	7,771e
Non-Regulated	706	863e
	7,062	8,634
Air		
Domestic	2,723	4,212
International	1,211	1,354
	3,934	5,566
Freight Forwarders (1)	721	506
Other Shipper Costs		
Load/Unload Freight Cars	1,676	1,929
Operation Traffic Depts.	756	991
	2,432	2,920
GRAND TOTAL	212,774r	274,227
GROSS NATIONAL PRODUCT (Billions of Dollars)	2,631.7	3,662.8
GRAND TOTAL % OF GNP	8.09%r	7.49%

r Revised
e Estimated
(1) Operating revenues after payments to carriers.
Figures increased by adding foreign traffic moving on domestic inland waterways.

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Lines on Labor

The UTU vote: When rumor defeated fact

Some might shrug and say it was "democracy in action." Those with a firmer grip on reality might call it "the tyranny of the minority." Students of political machination might regard it simply as a case of rumor overpowering fact. "It," of course, refers to the United Transportation Union's rejection at the end of July of a tentative agreement that was worked out in long, tough bargaining sessions by negotiators representing the UTU and the National Railway Labor Conference. "It," both sides agreed, was a reasonable agreement, one that seemed to attack a number of the problems facing the union and the railroads.

GUS WELTY

But, there was a time-bomb ticking in the UTU's Constitution, and on July 30 it went off. UTU suddenly was not so "united," after all.

But then, it never had been, because its Constitution gives minorities the right to be tyrannical.

Put most simply, that Constitution says that a majority vote of general chairmen representing each craft within the union is required in order for a proposed agreement to be ratified. Within a given craft, majority rules. But ratification demands that every craft deliver that majority.

So when UTU counted the votes, it found its engineers, conductors, brakemen, yardmen, dining car stewards and yardmasters voting for ratification. It found one craft, the firemen, rejecting the pact. And that's all it took, a vote-down by one craft. As UTU President Fred A. Hardin put it, in accordance with the provisions of the Constitution, "the proposed agreement is rejected in its entirety for all crafts."

Tyranny, in this case, had its roots in the bargaining that led to creation of the UTU in 1969, as a combination of the Brotherhood of Railroad Trainmen, the Order of Railway Conductors & Brakemen, the Switchmen's Union of North America and the Brotherhood of Locomotive Firemen & Enginemen. Three of these unions, BRT, ORC&B and SUNA, had a history of rivalry in battling for representation rights; the fourth, BLF&E, had its principal quarrel with the Brotherhood of Locomotive Engineers. But, ORC&B, SUNA and BLF&E did have one thing in common, a fear of being swallowed whole into the belly of the whale, the Trainmen's organization.

Ergo, in order for there to be an amalgamation, BRT had to bend double backwards in the name of craft autonomy. A majority vote on ratification would suffice within each craft, but ratification would not carry without approval by each and every craft.

The result, on July 30, was that a decent agreement was blown up by a craft that probably accounts for about 10%, plus or minus, of UTU's membership.

The next logical question is: Well, if all those other crafts found the proposed agreement acceptable, why did the firemen balk?

The answer may lie in one section of the proposal that provided for negotiation and, if necessary, arbitration of the railroads' proposed elimination of firemen and hostlers. This particular section also had to do with the mechanics of elimination, rights and protection of employees involved, and terms for selection, training and promotion of future engineers.

Apparently, that started the rumor mill a-churning, so much so that Fred Hardin had to respond, and this is what he said:

"There have been rumors spread that firemen will be eliminated by Nov. 1, 1985. There is no basis whatsoever for those rumors. Neither I nor any responsible officer of this union believe that any tribunal would eliminate any fireman...except by normal attrition. In fact the carriers offered that in a proposal that the officers declined in favor of the one contained in the proposed settlement. Many enginemen officers feel that we can negotiate or even arbitrate a far better settlement that will provide protection and the continuation of the craft under the provisions of this agreement...than we could expect from a Presidential Emergency Board or Congress."

Overall, UTU's president seemed to be doing all he could do to obtain ratification. He called the proposed settlement "an excellent agreement...in the best interest of our membership." It would give UTU members, he said, "absolutely the most we could expect in these trying times..." But the bomb went off.

And it all makes for wonderment as to what might have happened back in the '60s if the fears of the small unions had not been so great or, for that matter, if the train-service unions had decided to let the BLF&E fend for itself against attack by both the BLE and the railroads.

Class 1 railroad employment

Employee Group	No. of employees, mid-month count June 1985	Percent of change June 1985 from June 1984	Percent of change June 1985 from May 1985
Total—all employees	309,142	d 7.27	d .35
Executives, officials and staff assistants	13,809	d 1.03	.02
Professional and administrative	57,357	d 7.70	d .06
Maintenance of way and structures	67,160	d 6.86	d .02
Maintenance of equipment and stores	56,291	d 8.89	d 1.78
Transportation (other than train and engine)	20,385	d 7.84	1.15
Transportation (train and engine)	94,140	d 6.34	d .25

Source: ICC

NOTE

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